3.11.1.6 each collective bargaining agreement and other Applicable Contract to or with any labor union or other employee representative of a group of employees;

3.11.1.7 each joint venture, partnership, and other Applicable Contract (however named) involving a sharing of profits, losses, costs, or liabilities by any of the Acquired Companies with any other Person;

3.11.1.8 each Applicable Contract containing covenants that in any way purport to restrict the business activity of any of the Acquired Companies or any of their Affiliates or limit the freedom of any of the Acquired Companies or their Affiliates to engage in any line of business or to compete with any Person;

3.11.1.9 each Applicable Contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods;

3.11.1.10 each Applicable Contract for capital expenditures in excess of twenty five thousand dollars ($25,000);

3.11.1.11 each written warranty, guaranty, and or other similar undertaking with respect to contractual performance extended by any of the Acquired Companies other than in the Ordinary Course; and

3.11.1.12 each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

Section 3.11.1 of the Disclosure Schedule sets forth reasonably complete details concerning such Contracts, including the parties to the Contracts and the amount of the remaining commitment of the Acquired Companies under the Contracts.

3.11.2 Except as set forth on Section 3.11.2 of the Disclosure Schedule:

3.11.2.1 None of the Sellers (and no Affiliate of any of the Sellers) has or may acquire any rights under, and none of the Sellers has or may become subject to any obligation or liability under, any Contract that relates to the business of, or any of the assets owned or used by, any Acquired Company; and

3.11.2.2 no officer, director, agent, employee, consultant, or contractor of any of the Acquired Companies is bound by any Contract that purports to limit the ability of such officer, director, agent, employee, consultant, or contractor to (A) engage in or continue any conduct, activity, or practice relating to the business of any of the Acquired Companies, or (B) assign to any of the Acquired Companies or to any other Person any rights to any invention, improvement, or discovery.

3.11.3 Except as set forth in Section 3.11.3 of the Disclosure Schedule, each Contract identified or required to be identified in Section 3.11.1 of the Disclosure Schedule is in full force and effect and is valid and enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar

laws affecting the enforcement of creditors rights generally and to general principles of equity, and will continue to be legal, valid, binding, enforceable and in full force and effect following the consummation of the transactions contemplated hereby.

3.11.4 Except as set forth on Section 3.11.4 of the Disclosure Schedule:

3.11.4.1 each of the Acquired Companies is, and at all times since January 1, 2006 has been, in full compliance with all applicable terms and requirements of each Contract under which any of such Acquired Companies has or had any obligation or liability or by which any of such Acquired Companies or any of the assets owned or used by any of such Acquired Companies is or was bound;

3.11.4.2 each other Person that has or had any obligation or liability under any Contract under which any of the Acquired Companies has or had any rights is, and at all times since January 1, 2006 has been, in full compliance with all applicable terms and requirements of such Contract;

3.11.4.3 no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give any of the Acquired Companies or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Applicable Contract; and

3.11.4.4 other than notices or other communications given by an Acquired Company to an employee regarding any actual or alleged breach of an employment contract by such employee, none of the Acquired Companies has given to or received from any other Person, at any time since January 1, 2006, any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, any Contract.

3.11.5 There are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to any of the Acquired Companies under current or completed Contracts with any Person and no such Person has made written demand for such renegotiation.

3.11.6 The Contracts relating to the sale, design, manufacture, or provision of products or services by the Acquired Companies have been entered into in the Ordinary Course and have been entered into without the commission of any act alone or in concert with any other Person, or any consideration having been paid or promised, that is or would be in violation of applicable laws.

3.12 Risk Insurance.

3.12.1 The Sellers have made available to GCI:

3.12.1.1 true and complete copies of all policies of insurance to which any of the Acquired Companies is a party or under which any of the Acquired Companies,

or any director of any of the Acquired Companies, is or has been covered at any time within the three (3) years preceding the date of this Agreement;

3.12.1.2 true and complete copies of all pending applications for policies of insurance; and

3.12.1.3 any statement by the auditor of any of the Company Financial Statements with regard to the adequacy of such entity's coverage or of the reserves for claims.

3.12.2 Section 3.12.2 of the Disclosure Schedule describes:

3.12.2.1 any self-insurance arrangement by or affecting any of the Acquired Companies, including any reserves established thereunder; and

3.12.2.2 any contract or arrangement, other than a policy of insurance or indemnification agreements entered into in the Ordinary Course, for the transfer or sharing of any risk by any of the Acquired Companies.

3.12.3 Section 3.12.3 of the Disclosure Schedule sets forth, by year, for the current policy year and each of the preceding three (3) policy years:

3.12.3.1 a summary of the loss experience under each policy;

3.12.3.2 a statement describing each claim under an insurance policy for an amount in excess of five thousand dollars ($5,000), which sets forth:

(a) the name of the claimant;

(b) a description of the policy by insurer, type of insurance, and period of coverage; and

(c) the amount and a brief description of the claim; and

3.12.3.3 a statement describing the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims.

3.12.4 Except as set forth on Section 3.12.4 of the Disclosure Schedule:

3.12.4.1 All policies to which any of the Acquired Companies is a party or that provide coverage to any of the Sellers, any of the Acquired Companies, or any director or officer of any of the Acquired Companies:

(a) are valid, outstanding, and enforceable;

(b) are issued by an insurer that is financially sound and reputable;

(c) taken together, provide adequate insurance coverage for the assets and the operations of the Acquired Companies for all risks normally insured against by a Person carrying on the same business or businesses as the Acquired Companies;

(d) are sufficient for compliance with all applicable laws and Contracts to which any of the Acquired Companies is subject or by which any of them is bound;

(e) will continue in full force and effect following the consummation of the transactions contemplated hereby; and

(f) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of any of the Acquired Companies

3.12.4.2 Neither the Sellers nor any of the Acquired Companies has received (A) any refusal of coverage or any notice that a defense will be afforded with reservation of rights, or (B) any notice of cancellation or any other indication that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

3.12.4.3 The Acquired Companies have paid all premiums due, and have otherwise performed all of their respective obligations, under each policy to which any of the Acquired Companies is a party or that provides coverage to any of the Acquired Companies or director thereof.

3.12.4.4 The Acquired Companies have given notice to the insurer of all claims that may be insured thereby.

3.12.4.5 The Sellers have delivered to GCI a summary schedule of insurance policies in effect as of the date of this Agreement which sets forth the amount of coverage and the amount of any deductible under such policies.

3.13 Intellectual Property. Section 3.13 of the Disclosure Schedule sets forth a list of all Intellectual Property Rights and all material licenses (other than shrink wrap licenses), including all registrations and applications (by name, number, jurisdiction, and owner) for such rights and licenses, sublicenses, and other similar agreements, including any ongoing software or website maintenance agreements, as to which any of the Acquired Companies is a party, including the identity of all parties thereto. The Acquired Companies own or have valid and legally enforceable right to use, sell and license, as the case may be, free and clear of any Liens, all Intellectual Property Rights necessary to conduct the business of the Acquired Companies as currently conducted without any conflict with or infringement or misappropriation of any rights or property, including intellectual property rights, of third parties. Section 3.13 of the Disclosure Schedule lists all actions that must be taken by the Acquired Companies within thirty (30) days of the Closing Date to maintain the validity of the Intellectual Property Rights. There is no unauthorized use, disclosure, infringement, or misappropriation of, nor is there any valid basis for any claim of infringement or misappropriation from any third party upon, the Intellectual Property Rights or other proprietary rights of the Acquired Companies.

3.14 Environmental Matters.

3.14.1 Compliance. Except as set forth on Section 3.14 of the Disclosure Schedule, each of the Acquired Companies is conducting and at all times has conducted its business and operations, and has occupied, used and operated all real property and facilities presently or previously owned, occupied, used or operated by it, in compliance (in all material respects) with all Environmental Laws and so as not to give rise to any Loss or Liability under any Environmental Laws or to any adverse impact on the business or activities of any of the Acquired Companies. The Sellers have no knowledge of pending or proposed changes to any Environmental Laws that would require any changes in any of the Acquired Companies' premises, facilities, equipment, operations or procedures or that would affect any of the Acquired Companies' business or its cost of conducting its business as now conducted. To the knowledge of the Sellers, no conditions, circumstances or activities have existed or currently exist (including, without limitation, off-site disposal or treatment of Hazardous Materials) which could give rise to any Loss or Liability pursuant to any Environmental Laws.

3.14.2 Hazardous Materials. Except as set forth on Section 3.14 of the Disclosure Schedule, any chemicals and chemical compounds and mixtures which are included among the assets of any of the Acquired Companies, or are required for the conduct of any of the Acquired Companies' businesses, have not been and are not intended to be discarded or abandoned, and are not Hazardous Materials. Except as set forth on Section 3.14 of the Disclosure Schedule, none of the Acquired Companies has generated, handled, used, transported or disposed of Hazardous Materials. All Hazardous Materials which are generated as part of the business of the Acquired Companies are handled, stored, treated and disposed of in accordance with applicable Environmental Laws or are turned over to an independent third-party contractor with appropriate licenses to handle, store, treat or dispose of Hazardous Materials.

3.14.3 Tanks; Asbestos. Except as set forth on Section 3.14 of the Disclosure Schedule, any underground storage tanks ever located at real property owned or leased by any of the Acquired Companies have been removed in compliance with all applicable Environmental Laws, all remediation required in connection with such removal has been completed in accordance with applicable Environmental Laws and all governmental agencies having jurisdictions have approved such removal and remediation and issued appropriate certificates reflecting that no further action is required. Except as set forth on Section 3.14 of the Disclosure Schedule, all above ground storage tanks located at real property owned or leased by any of the Acquired Companies comply with applicable Environmental Laws and are appropriate and adequate for the conduct of the Acquired Companies' businesses. No real properties or facilities presently or previously owned, occupied, used or operated by any of the Acquired Companies or any predecessor have been used at any time as a gasoline service station, dry cleaning facility or as a facility for storing, pumping, dispensing or producing gasoline or any other petroleum products or any other Hazardous Materials. No building or other structure on any of the real property owned, occupied, used or operated by any of the Acquired Companies contains asbestos or asbestos-containing materials. Except as set forth on Section 3.14 of the Disclosure Schedule, there are not nor have there been any incinerators, septic tanks, leach fields, cesspools or wells (including without limitation dry, drinking, industrial, agricultural and monitoring wells) on any real property owned, occupied, used or operated by any of the Acquired Companies.

3.14.4 Environmental Assessments. The Sellers have made available to GCI correct and complete copies of all documents, correspondence, reports or other materials in *their possession or control, or the possession or control of any of the Acquired Companies,* concerning the environmental condition of any real property currently or formerly used, owned or occupied by any of the Acquired Companies, including, without limitation, all environmental site assessments. None of the Acquired Companies have received any written notification of the existence of any action, suit, investigation (other than a routine inspection), demand, demand letter, claim, Lien, notice of non-compliance or violation, notice of liability, proceeding, consent order or consent agreement against any of the Acquired Companies or any Person made under or in accordance with any Environmental Laws.

3.15 Assets; Title to Property.

3.15.1 Section 3.15.1 of the Disclosure Schedule contains a true and complete list of all depreciable tangible Business Assets (including tangible Business Assets leased by any of the Acquired Companies under leases that are required to be capitalized for accounting purposes), that reflects the in-service dates of such tangible Business Assets, the depreciation methods and periods of such tangible Business Assets and the net book value of such tangible Business Assets as of August 31, 2007. Except as described in Section 3.15.1 of the Disclosure Schedule, none of the Acquired Companies own or lease any depreciable tangible assets used in its business. The tangible Business Assets, taken as a whole, are in good operating condition and repair, subject to ordinary wear and tear reasonably to be expected in a business of the type operated by each of the Acquired Companies, and are suitable for the purposes for which they are currently used.

3.15.2 Section 3.15.2 of the Disclosure Schedule contains a true and complete list of all real property owned by any of the Acquired Companies (the "Owned Real Property"). The Sellers have delivered or made available to GCI copies of the deeds and other instruments (as recorded) by which the Acquired Companies acquired the Owned Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of the Sellers or the Acquired Companies and relating to such properties. Each parcel of Owned Real Property is supplied with utilities and other services necessary for the operation thereof. The Owned Real Property is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair, and is suitable for the purposes for which it presently is used. The Owned Real Property complies in all material respects with applicable laws, rules and regulations and all applicable declarations and covenants, has received all approvals of Governmental Bodies (including permits) required in connection with the occupation and operation thereof and has been occupied, operated and maintained in accordance with applicable law. The Acquired Companies enjoy peaceful and undisturbed possession of all Owned Real Property. All buildings, plants and structures contained on the Owned Real Property lie wholly within the boundaries of such Owned Real Property and do not encroach upon the property of, or otherwise conflict with the property rights of, any other Person.

3.15.3 Section 3.15.3 of the Disclosure Schedule contains a true and complete list of all leases and a description of the real property subject to each. Such leases and other agreements or arrangements pursuant to which the Acquired Companies occupy or use any

real property are referred to herein as the "Real Property Leases." All of the Real Property Leases are in full force and effect, and will continue to be in full force and effect following the consummation of the transactions contemplated hereby, and neither the Acquired Companies nor, to knowledge of the Sellers, any other Person is in default under any Real Property Lease. Without limiting the generality of the foregoing, the Acquired Companies are current in the performance of their maintenance obligations under all Real Property Leases. Each parcel of Leased Real Property is supplied with utilities and other services necessary for the operation thereof. The Leased Real Property is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair, and is suitable for the purposes for which it presently is used. The Leased Real Property complies in all material respects with applicable laws, rules and regulations and all applicable declarations and covenants, has received all approvals of Governmental Bodies (including permits) required in connection with the occupation and operation thereof and has been occupied, operated and maintained in accordance with applicable law. The Acquired Companies enjoy peaceful and undisturbed possession of all Leased Real Property.

3.15.4 Except as set forth on Section 3.15.4 of the Disclosure Schedule and except for Liens securing current Taxes not yet due and payable, the Acquired Companies have good and marketable title to all of the Business Assets, Owned Real Property and Leased Real Property free and clear of all Liens.

3.15.5 The Business Assets, the Owned Real Property and the Leased Real Property constitute all of the assets, properties and rights used by any of the Acquired Companies to conduct its business and are sufficient for the continued conduct of the Acquired Companies' businesses after the Closing in substantially the same manner as conducted prior to the Closing.

3.16 Books and Records. The books of account, minute books, stock record books, and other records of the Acquired Companies, all of which have been made available to GCI, are complete and correct and have been maintained in accordance with sound business practices and the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934, as amended (regardless of whether or not the Acquired Companies are subject to that section), including the maintenance of an adequate system of internal controls. The minute books of each of the Acquired Companies contain accurate and complete records of all meetings held of, and corporate action taken by, the shareholders, the boards of directors, and committees of the boards of directors of each of the Acquired Companies, and no meeting of any such shareholders, board of directors, or committee has been held for which minutes have not been prepared and are not contained in such minute books. At the Closing, all of those books and records will be in the possession of the Acquired Companies.

3.17 Transactions With Affiliates. Section 3.17 of the Disclosure Schedule contains a complete and accurate list of all amounts and obligations owed by any one of the Acquired Companies, on the one hand, and the Sellers or any of their Affiliates (other than an Acquired Company), on the other hand, and transactions and services provided since January 1, 2002 between any one of the Acquired Companies, on the one hand, and the Sellers or any of their Affiliates (other than an Acquired Company), on the other hand.

3.18 Communications Regulatory Matters.

3.18.1 Each of the Telecom Entities is fully qualified under the Communications Laws to be an FCC licensee. Schedule 3.18.1 lists all licenses and authorizations issued by the FCC to each of the Telecom Entities (the "FCC Licenses"), together with the name of the licensee or authorization holder, the expiration date of the FCC Licenses and, where applicable, the relevant FCC market designation. Each of the Telecom Entities validly holds the FCC Licenses which represent all the FCC authorizations required in connection with the ownership and operation of the Acquired Companies' telecommunications business as it is presently being conducted. The FCC Licenses are not subject to any restrictions, requirements, or conditions that are not generally imposed by the FCC upon holders of such FCC licenses. No person other than the Telecom Entities has any right, title or interest (legal or beneficial) in or to, or any right or license to use, the FCC Licenses. The FCC Licenses have been granted to the Telecom Entities by Final Order and are in full force and effect.

3.18.2 Each of the Acquired Companies is fully qualified under the State Communications Laws to hold the RCA Authorizations. Schedule 3.18.2 lists all licenses and authorizations issued by the RCA to each of the Acquired Companies (the "RCA Authorizations" and, together with the FCC Licenses, the "Telecom Licenses"), together with the name of the licensee or authorization holder; where applicable, the expiration date of the RCA Authorization, and, where applicable, the relevant service area designation. Each of the Acquired Companies validly holds the RCA Authorizations which represent all the RCA authorizations required in connection with the ownership and operation of the Acquired Companies' telecommunications business as it is presently being conducted. The RCA Authorizations are not subject to any restrictions, requirements, or conditions that are not generally imposed by the RCA upon holders of such RCA authorizations. No person other than the Acquired Companies has any right, title or interest (legal or beneficial) in or to, or any right or license to use, the RCA Authorizations. The RCA authorizations have been granted to the Acquired Companies by Final Order and are in full force and effect.

3.18.3 Except as disclosed on Section 3.18.3 of the Disclosure Schedule, each of the Acquired Companies is in material compliance with the Communications Laws, including without limitation those relating to: (i) the Communications Assistance for Law Enforcement Act (CALEA); (ii) E-911 Phase I and Phase II compliance; (iii) number porting, number pooling and related number usage and utilization reports; (iv) Telecommunications Relay Service obligations; (v) universal service obligations; (vi) the payment of regulatory fees; (vii) Text Telephone Devices (TTY); (viii) the submission of quarterly, semi-annual, annual or other periodic reports or filings with the FCC or other Governmental Body or administrative body (e.g. the National Exchange Carrier Association (NECA) and the Universal Service Administrative Company (USAC)); (ix) compliance with the National Environmental Protection Act (NEPA) provisions applicable to telecommunications carriers; (x) compliance with any spectrum clearing or incumbent relocation cost sharing obligations; (xi) compliance with FCC and FAA antenna registration and painting and lighting requirements; and (xii) compliance with the United States Fish and Wildlife Service antenna requirements. Except as disclosed on Section 3.18.2 of the Disclosure Schedule, each of the Acquired Companies is in material compliance with all State Communications Laws, including without limitation those relating to:

(i) compliance with the Alaska Fish and Wildlife Service antenna requirements; and (ii) compliance with the Alaska Department of Natural Resources antenna requirements.

3.18.4 There are no objections, petitions to deny, complaints (formal or informal) competing applications, investigation or letter of inquiry, or other proceedings pending before the FCC or any other Governmental Body having jurisdiction over any of the Acquired Companies or the Telecom Licenses relating to any of the Acquired Companies or the Telecom Licenses. None of the Acquired Companies have received any notice of any claim of default with respect to any of the Telecom Licenses. Except for proceedings affecting the telecommunications industry generally, and except as disclosed on Section 3.18.4 of the Disclosure Schedule, there is not pending or, to the knowledge of the Sellers, threatened against any of the Acquired Companies or the Telecom Licenses any action, petition, objection or other pleading, investigation or letter of inquiry, or any proceeding with the FCC or any other Governmental Body, which contests the validity of, or seeks the revocation, forfeiture, non-renewal modification or suspension of, the Telecom Licenses, or which would adversely affect the ability of the Acquired Companies to consummate the transactions contemplated by this Agreement.

3.18.5 All documents required to be filed in connection with the Telecom Licenses held by the Acquired Companies with the FCC or any other Governmental Body have been timely filed or the time period for such filing has not lapsed, except where such failure to timely file would not reasonably be expected to result in the revocation, cancellation, forfeiture, non-renewal or suspension of any authorization or license or the imposition of any monetary forfeiture. All of such filings were complete and correct in all material respects when filed.

3.18.6 None of the Acquired Companies are in breach or otherwise in violation of any FCC build-out requirements with respect to any of the FCC Licenses. Each FCC licensed station has been built out at least to the minimum extent required by the Communications Laws. Any and all FCC notifications or filings associated with the build-out were timely filed and were true complete and correct when filed. There has been no discontinuance of service subsequent to the completion of construction and certification that would cause any of the FCC Licenses to be deemed forfeited or automatically cancelled by the FCC.

3.18.7 The Acquired Companies all are eligible to receive funding from the federal Universal Service Fund ("USF") program as RCA-designated eligible telecommunications carriers ("ETCs") and are vendors to organizations that receive funding from the USF program. UUI and KUC (i) receive funding from the Alaska Universal Service Fund program, (ii) participate in the Alaska Exchange Carriers Association's intrastate access charge pooling program and (iii) the National Exchange Carriers Association's interstate access charge pooling program. UUI has received grants from the Rural Alaska Broadband Internet Access Program and both UUI and Unicom, Inc., have received grants and loans from Rural Utilities Services, an agency of the U.S. Department of Agriculture. KUC has received loans from CoBank, an entity affiliated with the U.S. Farm Credit System. Except as disclosed in Section 3.18.7 of the Disclosure Schedule, the preceding sentence represents a complete and accurate list of all government and government-affiliated funding, rate support, cost pooling, grant and low-cost credit programs in which the Acquired Companies participate (together the

"Support Programs"). Except as set forth on Section 3.18.7 of the Disclosure Schedule, the Acquired Companies are in compliance with all conditions, covenants and other requirements of the Support Programs, are not under investigation for potential non-compliance (and have not been under such investigation *since January 1, 2002), and do not face any regulatory,* contractual, or other action that would jeopardize their continuing participation in such programs.

3.19 Microwave Network. Section 3.19 of the Disclosure Schedule sets forth a complete and accurate description of the microwave network that UUI and Unicom, Inc., are deploying to provide broadband services in the Yukon-Kuskokwim Delta (the "Microwave Network"). This description includes information on each microwave site's (i) stage of completion, (ii) design and documentation, (iii) facilities and (iv) equipment as well as information on equipment and materials procured for microwave sites not yet built. The Microwave Network has been designed in accordance with industry standards for long-haul microwave networks. There are no material defects or deficiencies in the design or construction of the Microwave Network, and all construction was done in accordance with the design documents of record. The Microwave Network was designed to perform at an annual two way network availability level on the core network (ring protected) of 99.999% or better and on any spur microwave hop subtending the core network at an annual availability level of 99.995% or better per hop. The designed availability assumed industry standard maintenance procedures are documented and performed and excluded Force Majeure Events, human error, and network maintenance during planned maintenance windows. All licenses, permits, and other governmental authorizations required for the construction of the Microwave Network were approved and received, and all design and construction work on the Microwave Network was done in compliance with those licenses, permits, and governmental authorizations and with applicable laws, regulations, and industry standards. Section 3.19 of the Disclosure Schedule sets forth the additional network construction that UUI and Unicom, Inc. plan to undertake prior to the Closing.

3.20 Capital Expenditures. The Sellers have delivered to GCI copies of the Acquired Companies' 2007 capital expenditure budget (the "Capital Expenditure Budget").

3.21 Accounts Receivable. All accounts receivable of the Acquired Companies that are reflected on the Company Financial Statements or on the accounting records of the Acquired Companies as of the Closing Date (collectively, the "Accounts Receivable") represent or will represent valid obligations arising from sales actually made or services actually performed in the Ordinary Course. Unless paid prior to the Closing Date, the Accounts Receivable are or will be as of the Closing Date current and collectible net of the respective reserves shown on the Company Financial Statements (which reserves are adequate and calculated consistent with past practice). Except as set forth on Section 3.21 of the Disclosure Schedule and subject to such reserves, each of the Accounts Receivable either has been or will be collected in full, without any set-off, within 90 days after the day on which it first becomes due and payable. There is no contest, claim, or right of set-off relating to the amount or validity of such Accounts Receivable. Section 3.21 of the Disclosure Schedule contains an aged summary showing the amount of Accounts Receivable as of the Balance Sheet Date for each local telephone exchange and showing the aging category for each such local telephone exchange.

3.22 Licenses and Authorizations. There is no material license, permit or other governmental authorization issued to or held by any of the Acquired Companies that by its terms or applicable law expires, terminates or is otherwise rendered invalid upon the transfer of the Common Stock or the transactions contemplated by this Agreement.

3.23 Compliance With Laws. Each of the Acquired Companies has conducted its operations in material compliance with applicable laws. The Sellers have no knowledge of, nor has any of such parties received notice of, any violations of law relating to the Acquired Companies, any of their operations or the Business Assets. Neither any of the Acquired Companies nor any officer, employee or agent of any of the Acquired Companies has directly or indirectly given or agreed to give any gift, contribution, payment or similar benefit to any supplier, customer, governmental official or employee or other Person who was, is or may be in a position to help or hinder any of the Acquired Companies or made or agreed to make any contribution, or reimbursed any political gift or contribution made by any other Person, to any candidate for United States federal, state, local or foreign public office, in any case, which would subject any of the Acquired Companies to any Liability or the failure to make which in the future could adversely affect the business or prospects of any of the Acquired Companies.

3.24 Brokers. Except as set forth on Section 3.24 of the Disclosure Schedule, no Person is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon any agreement, arrangement or understanding made by or on behalf of any of the Acquired Companies or of the Sellers.

3.25 Bank Accounts; Powers of Attorney. Section 3.25 of the Disclosure Schedule sets forth a list of all bank and brokerage accounts or any other account maintained at any financial institution maintained by the Acquired Companies, together with a list of all authorized signatories for such accounts, and all safe deposit boxes maintained by the Acquired Companies, and all persons authorized to gain access thereto. Section 3.25 of the Disclosure Schedule also sets forth a list of all powers of attorney granted by any of the Acquired Companies.

3.26 Representations Not Misleading. To the knowledge of the Sellers, no representation or warranty by the Sellers in this Agreement, nor any summary, exhibit or schedule furnished to GCI by the Sellers or any of the Acquired Companies under and pursuant to, or in anticipation of this Agreement, contains or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances in which they were made, not misleading.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF GCI

Except for representations and warranties that, by their terms, are made only as of a specified date, all representations and warranties of the parties shall be deemed to be made at and as of the date hereof and at and as of the Closing Date. For purposes of applying the representations and warranties as of the Closing Date, all references to the date of this Agreement (or words of similar import) shall be deemed to refer to the Closing Date. GCI hereby represents and warrants to the Sellers that:

4.1 **Organization and Authority.** GCI is an Alaska corporation duly incorporated, validly existing, and in good standing under the laws of the State of Alaska. GCI has all requisite corporate power and authority to enter into this Agreement and the Transaction Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and any Transaction Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of GCI and no further action is required on the part of GCI to authorize the Agreement and any Transaction Agreements to which GCI is a party and the transactions contemplated hereby and thereby.

4.2 **Execution and Validity of Agreements.** This Agreement and each of the Transaction Agreements to which GCI is a party has been duly executed and delivered by GCI and assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitute the valid and binding obligations of GCI enforceable against GCI in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights and general principles of equity.

4.3 **Brokers.** Except as set forth on Section 4.3 of the Disclosure Schedule, no Person is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon any agreement, arrangement or understanding made by or on behalf of GCI.

4.4 **Representations Not Misleading.** To the knowledge of GCI, no representation or warranty by GCI in this Agreement, nor any summary, exhibit or schedule furnished to the Sellers by GCI under and pursuant to, or in anticipation of this Agreement, contains or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances in which they were made, not misleading. Nothing in the Disclosure Schedules will be deemed adequate to disclose an exception to a representation or warranty made in this Agreement unless the Disclosure Schedule identifies the exception with particularity and describes the relevant facts in reasonable detail.

ARTICLE 5
PRE-CLOSING COVENANTS

5.1 **Exclusivity; Acquisition Proposals.**

5.1.1 Unless and until this Agreement has been terminated pursuant to Section 8.1, except as required by law, none of the Sellers nor any of the Acquired Companies shall take or cause, directly or indirectly, any of the following actions with any Person other than GCI and the designees or agents of GCI: (i) solicit, encourage, initiate or participate in any negotiations, inquiries or discussions with respect to any offer or proposal to acquire the business or assets of any of the Acquired Companies, whether by merger, consolidation, other business combination, purchase of assets or stock, tender or exchange offer or otherwise (each of the foregoing an "Acquisition Transaction"); (ii) disclose any information not customarily disclosed to any Person who is or may be requesting such information for purposes of a possible

Acquisition Transaction; (iii) agree to or execute any letter of intent, term sheet or agreement relating to an Acquisition Transaction; or (iv) make or authorize any public statement or solicitation with respect to any Acquisition Transaction or any offer or proposal relating to an Acquisition Transaction other than with respect to the transactions contemplated hereby. In the event that Sellers receive any offer or proposal to acquire the business or assets of the Acquired Companies from a Person other than GCI or the designees or agents of GCI, Sellers shall immediately share such offer with GCI.

5.1.2 In the event that Sellers are required by law to pursue a sale of the Acquired Companies with a Person other than GCI or the designees or agents of GCI and this Agreement has not been terminated pursuant to Section 8.1, Sellers shall pay to GCI all out-of-pocket costs and expenses (including, without limitation, all fees and expenses of counsel, advisors and consultants) incurred by GCI and its affiliates or on their behalf in connection with this Agreement and the letter of intent dated August 23, 2007. Sellers shall make such payment within 30 days of receiving an invoice from GCI. Such payment shall not limit any other rights available to GCI under law or in equity. Notwithstanding anything to the contrary in this Agreement, in no event shall such payment exceed $200,000.

5.2 Notices and Consents.

5.2.1 GCI shall prepare and file as promptly as reasonably practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as reasonably practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party and/or any Governmental Body in order to consummate the transactions contemplated by this Agreement, including (i) all applications required to be filed with the FCC and the RCA, and (ii) filings under any other comparable pre-acquisition notification or control laws of any applicable jurisdiction, as agreed by the Parties hereto (collectively, the "Regulatory Consents"). The Parties agree that any reasonable fees, costs and expenses associated with the preparation and filing of applications required to be filed with the FCC in connection with obtaining Regulatory Consents from the FCC will be paid 50% by GCI and 50% by the Sellers. The Parties agree that GCI will pay any reasonable fees, costs and expenses associated with the preparation and filing of applications required to be filed with the RCA in connection with obtaining Regulatory Consents from the RCA.

5.2.2 Each of the Sellers and GCI shall cooperate with each other and use, and shall cause their respective Affiliates to use, their respective commercially reasonable efforts to prepare and file the Regulatory Consents. GCI and the Sellers shall, upon request by the other, furnish the other with all information concerning itself, its Subsidiaries, directors, officers, members and such other matters as may be reasonably necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of any such parties to any Governmental Body in connection with the transactions contemplated by this Agreement.

5.2.3 None of GCI, the Sellers, nor any of their respective Affiliates shall agree to participate in any substantive meeting or discussion with any such Governmental Body in respect of any filing, investigation or inquiry concerning the Regulatory Consents, this

Agreement or the transactions contemplated by this Agreement unless it consults with the other Parties reasonably in advance and, to the extent permitted by such Governmental Body, gives the other Parties the opportunity to attend and participate. Subject to applicable law and the instructions of any Governmental Body, each of such Parties shall keep the others apprised of the status of matters relating to completion of the transactions contemplated hereby, including promptly furnishing the other with copies of notices or other communications received by such Person from any Governmental Body with respect to such transactions.

5.3 Preparation for Closing. Each of the Parties will use commercially reasonable efforts to take all actions necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including the satisfaction, but not the waiver, of the conditions precedent set forth in Article 6) and the other Transaction Agreements.

5.4 Notification of Certain Matters. Between the date of this Agreement and the Closing Date, each of the Parties to this Agreement shall give prompt notice in writing to the other Parties of: (i) any information that indicates that any Party's representations or warranties contained herein was not true and correct in all material respects as of the date hereof or, to its knowledge, will not be true and correct in all material respects at and as of the Closing Date, (ii) the occurrence of any event that will result, or has a reasonable prospect of resulting, in the failure of any condition specified in Article 6 to be satisfied, (iii) any notice or other communication from any Person indicating that such Person will not or may not grant any consent or approval required in connection with the transactions contemplated by this Agreement or that such transactions otherwise may violate the rights of or confer remedies upon such Person and (iv) any other material development that occurs after the date of this Agreement and affects the representations, warranties, covenants or Disclosure Schedule contained herein. No notice given under this Section 5.4 will be deemed to amend or supplement any Disclosure Schedule or to prevent or cure any misrepresentation, breach of warranty or breach of covenant of any Party.

5.5 Other Limitations on Conduct of Business Prior to the Closing Date. Prior to the Closing Date, unless the prior written consent of GCI shall have been obtained (which consent shall not be unreasonably delayed or withheld) and except as otherwise contemplated herein, the Sellers shall operate the business of each of the Acquired Companies only in the usual, regular and Ordinary Course. Without limiting the foregoing, unless the prior written consent of GCI shall have been obtained (which consent shall not be unreasonably delayed or withheld) and except as otherwise contemplated herein, prior to the Closing Date each of the Sellers shall cause the Acquired Companies to:

5.5.1 (A) conduct its business in the Ordinary Course, (B) pay or perform its material obligations when due, subject to good faith disputes with respect thereto, and (C) use commercially reasonable efforts to preserve intact its present business organization;

5.5.2 not amend or restate its Organizational Documents or merge, consolidate, liquidate or dissolve;

5.5.3 not authorize for issuance, issue, sell, deliver or agree or commit to issue, sell or deliver (A) any capital stock of, or other equity or voting interest in, any of the

Acquired Companies, (B) any securities convertible into, exchangeable for, or evidencing the right or option to subscribe for or acquire either (1) any capital stock of, or other equity or voting interest in, any of the Acquired Companies, or (2) any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire, any capital stock of, or other equity or voting interest in, any of the Acquired Companies, (C) any stock appreciation, phantom stock, profit participation or similar rights;

5.5.4 not split, combine, redeem, reclassify, purchase or otherwise acquire directly, or indirectly, any capital stock of, or other equity or voting interest in, any of the Acquired Companies;

5.5.5 not declare, pay or set aside for payment any dividend or make any other distribution on its securities or make any other payment or distribution to any of the shareholders of the Acquired Companies;

5.5.6 not sell, transfer, lease, license or otherwise dispose of any assets or properties other than in the Ordinary Course, provided that the fair market value of such assets or properties shall not exceed twenty thousand dollars ($20,000) per item or one hundred thousand dollars ($100,000) in the aggregate;

5.5.7 not make any material change in any method of accounting or accounting practice, other than changes required by GAAP;

5.5.8 not make any Tax election or accounting method change that is reasonably likely to adversely affect in any material respect the tax liability or tax attributes of the Acquired Companies or settle or compromise any material income tax liability or consent to any extension or waiver of any limitation period with respect to Taxes;

5.5.9 not increase the compensation payable (including wages, salaries, bonuses or any other remuneration) or to become payable to any officer or employee being paid an annual base salary of $100,000 or more, or any director of any of the Acquired Companies, or enter into any Employee Agreement with any Person, except for (A) such increases that are required in accordance with the terms of any Contracts binding on any of the Acquired Companies or any Employee Plans set forth in the Disclosure Schedule, or (B) salary increases in the Ordinary Course;

5.5.10 not make any profit sharing, pension, retirement or insurance payment, distribution or arrangement to or with any officer, employee or agent being paid an annual base salary of $100,000 or more, or any director of any of the Acquired Companies, except for payments that are accrued on the company financial statements used in determining the Closing Date Statement, and (A) are required by the terms of any Contracts binding on an Acquired Company, or (B) are required by the terms of any Employee Plans set forth in the Disclosure Schedule;

5.5.11 not establish, adopt, enter into, amend or terminate any Employee Plans or any collective bargaining, thrift, compensation or other plan, agreement, trust, fund, policy or arrangement for the benefit of any directors, officers or employees except as required by applicable law;

5.5.12 not acquire any Person or business, by merger or consolidation, purchase of assets or equity interests, or by any other manner, in a single transaction or a series of related transactions;

5.5.13 not grant any exclusive rights with respect to any Intellectual Property Rights;

5.5.14 not enter into or renew any Contracts containing, or otherwise subjecting any of the Acquired Companies or GCI to, any non-competition, exclusivity or other material restrictions on any of the Acquired Companies or GCI, or any of their respective businesses, following the Closing;

5.5.15 not make any loans, advances or capital contributions to, or investments in, any other Person, other than loans or advances made in the Ordinary Course;

5.5.16 not incur any indebtedness for borrowed money or guarantee any such indebtedness of another Person, issue or sell any debt securities or options, warrants, calls or other rights to acquire any debt securities of any of the Acquired Companies, guarantee any debt securities of another Person, enter into any "keep well" or other agreement to maintain any financial statement condition of any other Person or enter into any arrangement having the economic effect of any of the foregoing, other than in connection with the financing of ordinary course trade payables or the incurrence of indebtedness of up to $13,500,000 (as an RUS loan), the proceeds of which are expended for the capital expenditures set forth on Section 3.5.6 of the Disclosure Schedule;

5.5.17 not (A) enter into or terminate any Real Property Leases other than those listed on Schedule II ; (B) create any Subsidiary; (C) release or create any Liens or other security interests on assets of any of the Acquired Companies, other than purchase money Liens granted in connection with additional network construction of the Microwave Network; or (D) agree to any settlement of any action, suit, claim, investigation or other proceeding other than in the Ordinary Course, provided that such settlement involves no material obligation of the Acquired Companies other than the payment of money not to exceed five thousand dollars ($5,000) per claim or fifty thousand dollars ($50,000) in the aggregate;

5.5.18 not: (A) make any capital expenditure or capital expenditure commitment, other than as set forth on Section 3.5 of the Disclosure Schedule; or (B) enter into any lease of capital equipment as lessee or lessor;

5.5.19 not sell any asset of any of the Acquired Companies or make any commitment relating to any such assets other than in the Ordinary Course, transfer any asset of the Acquired Companies to a shareholder, incur material damage, destruction or loss to any assets of the Acquired Companies or have any assets of the Acquired Companies subjected to a Lien;

5.5.20 not enter into or terminate any Contracts, other than in the Ordinary Course, or do or fail to do anything that would cause a material breach of, or material default under, any Contracts;

5.5.21 not increase or experience any adverse change in any accounting assumption underlying any method of calculating bad debts, contingencies or other reserves from *that reflected in the Company Financial Statements;*

5.5.22 not cancel, write down, write off or waive any claim or right of substantial value;

5.5.23 not pay any severance or termination pay to any officer, director or manager of the Company, except for payments required by the terms of any Contract binding on an Acquired Company set forth in the Disclosure Schedule;

5.5.24 not enter into, add to or modify any Employee Plans;

5.5.25 not change in any respect any of the material business policies or practices of the Acquired Companies, enter into any material transaction other than in the Ordinary Course or fail to operate the business of Company in the Ordinary Course;

5.5.26 not file any rate case request with any third party or Governmental Body; or

5.5.27 not enter into any Contracts or binding letter of intent with respect to, or otherwise commit or agree, whether or not in writing, to do any of the actions described in Sections 5.5.1 through 5.5.27, inclusive.

5.6 **Capital Expenditure Requirements.** In addition to the foregoing, the Sellers shall cause the Acquired Companies to make capital expenditures in the Ordinary Course and in a manner that will allow the Acquired Companies to complete the construction described in Section 3.19 of the Disclosure Schedule and in a manner consistent with the Capital Expenditure Budget.

5.7 **Access to Information.** The Sellers and each of the Acquired Companies shall afford GCI and their accountants, counsel and other representatives reasonable access during normal business hours prior to the Closing Date to (i) all of the Sellers' and each of the Acquired Companies' financial statements, properties, books, contracts, commitments and records and (ii) all other information concerning the Acquired Companies' business and assets as GCI may reasonably request. No information or knowledge obtained after the date hereof in any investigation pursuant to this Section 5.7 shall affect or be deemed to modify any representation or warranty contained herein or the conditions to the obligations of the Parties to consummate the transactions contemplated hereby.

5.8 **Company Audited Financial Statements.** The Sellers shall deliver to GCI as soon as practicable after December 31, 2007, but in no event later than April 16, 2008 if the Closing has not occurred by such date, audited consolidated and consolidating financial statements of the Acquired Companies, including an unqualified audit report and balance sheet as of December 31, 2007 and the statement of operations, changes in shareholders' equity, and cash flows for the year then ended (collectively, the "Company Audited Financial Statements") if such Company Audited Financial Statements were not required to be provided pursuant to Section 6.2.12. The Company shall take all steps to have the Acquired Companies' December

31, 2007 financial statements audited as soon as practicable. If the Closing occurs prior to such time as the Acquired Companies' audited December 31, 2007 financial statements are needed under Section 6.2.12 and such audit is not completed, the Sellers and GCI shall cooperate to complete such audit and allocates costs based on chargeable hours completed as of the Closing. The Sellers shall cooperate with GCI and shall use their commercially reasonable efforts to cause the Acquired Companies' independent accounting firm to deliver all necessary consents for inclusion of such firm's audit report on the Company Audited Financial Statements and the financial statements required by Section 6.2.12 to be included, to the extent required, in GCI's SEC filings (including registration statements) from time to time. The Sellers shall also provide unaudited interim consolidated and consolidating financial statements for periods prior to the Closing for the Acquired Companies necessary to allow GCI to timely complete and file required reports and filings necessary to comply with SEC reporting obligations or necessary for the filing of registration statements that are required by Rule 3-05 of Regulation S-X (including the corresponding period for the prior year) if such interim financial statements were not required to be provided pursuant to Section 6.2.12.

5.9 Transfer of Manley Utility Company Assets. Prior to the Closing Date, the Company shall cause UUI to assign, transfer and convey all real property and buildings owned by UUI that are used in connection with the operations of MUC (the "MUC Real Property"), to the Company or MUC, and not to an Acquired Company. Such transfer shall be evidenced by an assignment in form and substance satisfactory to GCI.

5.10 Assignment of Cellular Switch. Prior to the closing Date, the Company shall assign, transfer and convey the UT Starcom CDMA 2000 Cellular Switch and related equipment to Unicom, Inc. In connection with such transfer, the Company shall assign each Contract, including but not limited to any lease, easement, or other rights, used in connection with such cellular switch. Such transfers shall be evidenced by an assignment in form and substance satisfactory to GCI.

5.11 Employee Benefit Plans. Prior to the Closing Date, the Company shall transfer to UUI, and the Company shall cause UUI to assume the sponsorship of, all Employee Benefit Plans sponsored by the Company that are applicable to employees of the Acquired Companies. In connection with the transfer, the Company shall notify each insurance carrier and each plan vendor (including third party administrators and trustees) that UUI has assumed the sponsorship of the Employee Benefit Plans. The Company shall report the change in sponsorship on all applicable Form 5500s filed subsequent to the transfer and shall amend all plan documents to reflect the new sponsor.

5.12 Relocation of Business Assets. The Company shall relocate all tangible Business Assets located on or within the MUC Real Property, including without limitation the Redcom Cellular Switch, to other real property or buildings owned or leased by the Acquired Companies. In connection with such relocation, the Company shall cause the Acquired Companies to obtain all easements necessary to enable the Acquired Companies to conduct their business following the relocation in substantially the same manner as conducted prior to such relocation. If all tangible Business Assets to be relocated pursuant to this Section have not been moved on or before the Closing Date, then the Company or MUC, as the case may be, shall enter into a collocation agreement for the subject equipment with the applicable Acquired Companies

for space and power at no cost, for a term beginning on the Closing Date and ending on the earlier of (i) three (3) years or (ii) the date on which the tangible Business Assets have been relocated in accordance with this Section.

5.13 Microwave Network Monitoring Program. Promptly, but in any event within thirty (30) Days after the date of this Agreement, the Company shall commence a continuous monitoring program measuring the availability performance of the Microwave Network. The monitoring program shall track the availability of two T1 circuits, one provisioned between Bethel and Scammon Bay and the other provisioned between Bethel and Mekoryuk. The Company shall provide GCI monthly status reports regarding the Microwave Network and all information provided by such monitoring program. Such monthly report shall include root cause analyses of any outages on each of the two T1 circuits. In addition, the Company shall make available for inspection by GCI prior to Closing all documents relating to the design and documentation of the Microwave Network. If either microwave ring availability performance or spur microwave hop availability performance during the Measurement Period falls below the level specified in Section 6.2.15, then GCI and the Sellers shall meet prior to the Closing to determine what mitigation measures are reasonably available to remedy the performance shortfall.

5.14 No Transfers of Common Stock The Company may not sell, assign, hypothecate or otherwise transfer any Common Stock or any interest therein (other than as necessary to effect the transactions contemplated by this Agreement) without the prior written consent of GCI, which GCI may withhold at its sole discretion.

5.15 Cooperation. Each of the Parties, upon the reasonable request from time to time of any other Party, shall take and cooperate with the other Parties in taking such actions as may be reasonably necessary or desirable to consummate the transactions contemplated hereby and to comply with the terms of this Agreement.

5.16 Confidentiality. Unless otherwise agreed to in writing by the party disclosing (or whose Representatives disclosed) the same (a "Disclosing Party"), each receiving party (a "Receiving Party") will, and will cause its Affiliates, directors, officers, employees, attorneys, accountants, consultants, and other agents and advisors (such Affiliates and other Persons with respect to any Party being collectively referred to as such Party's "Representatives") to, (i) keep all Proprietary Information of the Disclosing Party confidential and not disclose or reveal any such Proprietary Information to any Person other than those Representatives of the Receiving Party who are participating in effecting the transactions contemplated hereby or who otherwise need to know such Proprietary Information, (ii) use such Proprietary Information only in connection with consummating the transactions contemplated hereby and enforcing the Receiving Party's rights hereunder, and (iii) not use Proprietary Information in any manner detrimental to the Disclosing Party. In the event that a Receiving Party is requested pursuant to, or required by, applicable law or regulation or by any legal process to disclose any Proprietary Information of the Disclosing Party, the Receiving Party will provide the Disclosing Party with prompt notice of such request(s) to enable the Disclosing Party to seek an appropriate protective order. A Party's obligations hereunder with respect to Proprietary Information that (A) is disclosed to a third party with the Disclosing Party's written approval, (B) is required to be produced under order of a court of competent jurisdiction or other

similar requirements of a governmental agency, or (C) is required to be disclosed by applicable law or regulation will, subject in the cause of clauses (B) and (C) above to the Receiving Party's compliance with the preceding sentence, cease to the extent of the disclosure so consented to or required, except to the extent otherwise provided by the terms of such consent or covered by a protective order. In no event will a Receiving Party be liable for any indirect, punitive, special or consequential damages unless such disclosure resulted from its willful misconduct or gross negligence in which event it will be liable in damages for the Disclosing Party's lost profits resulting directly and solely from such disclosure. In the event this Agreement is terminated, each Party will, if so requested by the Disclosing Party, promptly return or destroy all of the Proprietary Information of such Disclosing Party, including all copies, reproductions, summaries, analyses or extracts thereof or based thereon in the possession of the Receiving Party or its Representatives; provided, however, that the Receiving Party will not be required to return or cause to be returned summaries, analyses or extracts prepared by it or its Representatives, but will destroy (or cause to be destroyed) the same upon request of the Disclosing Party. Notwithstanding the foregoing, GCI shall not disclose any Proprietary Information to any of its Representatives that currently or in the future may serve on the team that negotiates Interconnection for GCI, including the current members of the negotiating team: Rick Hitz, Emily Thatcher, Sue Keeeling, and Nancy Conklin. Sellers shall not disclose any Proprietary Information pertaining to GCI or its Affiliates to any attorney, paralegal/professional, other employee or Affiliate of Dorsey & Whitney LLP. Nothing in this paragraph shall be construed to prohibit or otherwise limit the Sellers from engaging the services of Dorsey & Whitney LLP on a matter other than the Acquisition.

5.17 Announcements. Prior to the Closing, except as may be required by law or applicable stock exchange rules, no Party to this Agreement shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of GCI and the Sellers, which approval will not be unreasonably withheld or delayed. If any of GCI or the Sellers believes that it is required by law or applicable stock exchange rules to make such a public announcement, it shall promptly advise the other and use reasonable efforts, consistent with its legal obligations, to allow the other an opportunity to review and comment upon the announcement before the announcement is made.

5.18 Non-Disparagement. Neither Party will disparage or in any way portray in a negative light the other Party or its Affiliates or any of such Person's products, services or businesses, either directly or indirectly, in the form of oral statements, written statements, electronic communications or otherwise. Neither Party will take any action to intentionally and improperly interfere with the existing contractual or economic relationships of the other Party or its Affiliates by encouraging or inducing any Person not to perform their existing contracts with or otherwise conduct business with the other Party or its Affiliates, provided, however, that nothing herein shall be deemed to prohibit or change normal and customary sales and marketing activities.

5.19 Assumption of Employment Agreements. Prior to the Closing Date, the Company shall assign to UUI, and the Company shall cause UUI to assume, all employment agreements between the Company and any employee performing work for the Acquired Companies.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 ***Conditions to Each Party's Obligations.*** *The obligations of each of the* Parties to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver of the following conditions on or prior to the Closing Date:

6.1.1 All Regulatory Consents shall have been made, obtained, granted or effected without the imposition of any adverse condition on GCI or the Acquired Companies and all such Regulatory Consents shall be in full force and effect as of the Closing Date.

6.1.2 No temporary restraining order, preliminary or permanent injunction or other order by court or governmental body prohibiting, preventing or restraining the consummation of the transactions contemplated by this Agreement or the other Transaction Agreements shall have been issued and shall not have expired or been withdrawn or reversed and there shall be no pending or threatened litigation or other proceeding seeking to prohibit, prevent or restrain the consummation of such transactions.

6.2 **Conditions to the Obligations of GCI.** The obligations of GCI to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver of the following conditions on or prior to the Closing Date:

6.2.1 The representations and warranties of the Sellers shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on and as of the Closing Date (other than any such representations and warranties that are made as of a specified date, which shall have been true and correct as of such specified date).

6.2.2 The Sellers shall have performed in all material respects, or complied in all material respects with, all covenants and agreements contained in this Agreement to be performed or complied with by the Sellers prior to the Closing Date.

6.2.3 There shall not have occurred a Material Adverse Effect with respect to the Sellers or the Acquired Companies.

6.2.4 The Company shall have tendered delivery of all items required to be delivered by it pursuant to Section 1.5.

6.2.5 GCI shall have received from the Company a signed counterpart to the Escrow Agreement.

6.2.6 GCI shall receive an opinion of counsel of Kemppel, Huffman & Ellis, P.C., counsel for the Company, dated the Closing Date and addressed to GCI, in the form of Exhibit D.

6.2.7 GCI shall receive an opinion of counsel of Kemppel, Huffman & Ellis, P.C., counsel for the Company, dated the Closing Date and addressed to GCI, in the form of Exhibit E.

6.2.8 GCI shall have received resignations of all current members of the board of directors of the Acquired Companies effective as of the Closing.

6.2.9 *GCI shall have received from the Company executed copies of all* Tax forms and documents required for the Section 338(h)(10) Election contemplated by Section 9.2 to the extent that GCI has requested delivery of such forms and documents prior to the Closing.

6.2.10 The Sellers and the Acquired Companies shall have received all consents, including those identified in the Disclosure Schedule, as are required to enable GCI to continue to enjoy the benefit of any governmental authorization, lease, license, permit, contract or other agreement or instrument to or of which any of the Acquired Companies is a party or a beneficiary.

6.2.11 GCI shall have received all consents, governmental authorizations, permits, licenses, certifications and designations required for it to acquire, own and operate the businesses conducted by the Acquired Companies following the Closing in the same manner as such businesses were conducted prior to the Closing.

6.2.12 GCI shall have received audited (including an audit report with no qualifications) and unaudited consolidated financial statements of the Acquired Companies necessary for GCI to comply with any applicable requirements for filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended, and the rules and regulations of the SEC promulgated thereunder, which shall be certified by the Chief Financial Officer of the Company as fairly presenting in all material respects the matters presented therein and otherwise as materially consistent with the Company Financial Statements previously provided to GCI.

6.2.13 As of the Closing Date, the Acquired Companies' consolidated Working Capital shall be greater than or equal to $0 and the Acquired Companies shall have cash and marketable securities in an aggregate amount of at least $4,000,000.

6.2.14 GCI shall have received all reports from the Company disclosing the results of the Microwave Network monitoring program established pursuant to Section 5.13 and a summary report specifying the duration and root cause of any outages for the Bethel-Scammon Bay T1 circuit and Bethel-Mekoryuk T1 circuit from the date the continuous monitoring program commenced through the date that is five (5) Business Days before the Closing Date (the "Measurement Period") and a calculation and analysis of microwave ring and spur microwave hop availability performance based on the monitoring results on the two T1 circuits. For the purposes of calculating availability under this Section, outages resulting from excluded Force Majeure Events, human error, and network maintenance during planned maintenance windows shall be excluded. The demarcation point for measuring availability is the transmission level point ("TLP") of the building housing the Harris microwave equipment.

6.2.15 As of the Closing Date, the Microwave Network shall have demonstrated a two-way network availability level during the Measurement Period of 99.995% or better between the Bethel microwave repeater and any repeater station on the microwave ring,

and two-way availability for any spur microwave hop subtending the microwave ring during the Measurement Period shall have been 99.99% or better per hop.

6.2.16 GCI shall have received a certificate from the Company with respect to the matters set forth in Sections 6.2.1, 6.2.2, 6.2.3, 6.2.10, 6.2.13, 6.2.14 and 6.2.15 signed for and on behalf of the Company by duly authorized officers thereof.

6.3 Conditions to the Obligations of the Sellers. The obligations of the Sellers to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver of the following conditions on or prior to the Closing Date:

6.3.1 All representations and warranties of GCI shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on and as of the Closing Date (other than any such representations and warranties that are made as of a specified date, which shall have been true and correct as of such specified date);

6.3.2 GCI shall have performed in all material respects, or complied in all material respects with, all covenants and agreements contained in this Agreement to be performed or complied with by GCI prior to the Closing Date;

6.3.3 The Company shall have received from GCI a signed counterpart to the Escrow Agreement;

6.3.4 GCI shall have delivered all items required to be delivered by it pursuant to Section 1.5; and

6.3.5 The Sellers shall have received a certificate from GCI with respect to the matters set forth in Sections 6.3.1 and 6.3.2 signed for and on behalf of GCI by a duly authorized officer thereof.

ARTICLE 7
INDEMNIFICATION

7.1 By GCI. Subject to the limitations set forth in this Article 7, from and after the Closing Date, GCI agrees to indemnify and hold harmless (in such capacity, the "GCI Indemnifying Party"), to the fullest extent permitted by law, the Sellers and any of their Affiliates, respectively (in such capacity, the "Seller Indemnitee") from, against and in respect of any Losses arising from or otherwise related to, directly or indirectly, any of the following:

7.1.1 Any breach of any representation or warranty made by or on behalf of GCI in this Agreement (as each such representation or warranty would be read if all qualifications as to materiality, knowledge or words of similar import were deleted therefrom); or

7.1.2 Any breach or default in performance by GCI of any covenant or other agreement of such party contained in this Agreement.

7.2 **By the Sellers.** Subject to the limitations set forth in this Article 7, from and after the Closing, (A) the Company; and (B) Sea Lion and Togiak, severally and not jointly based on their percentage ownership of the Company; agree to indemnify and hold harmless (in that capacity, the "Seller Indemnifying Party"), *to the fullest extent permitted by law, GCI and* each of its officers, directors, employees and Affiliates (each, in that capacity, the "GCI Indemnitee") from, against and in respect of any Losses arising from or otherwise related to, directly or indirectly, any of the following:

7.2.1 Any breach of any representation or warranty made by or on behalf of the Sellers in this Agreement (as each such representation or warranty would be read if all qualifications as to materiality, knowledge or words of similar import were deleted therefrom);

7.2.2 Any breach or default in performance by the Sellers of any covenant or other agreement of such parties contained in this Agreement;

7.2.3 Any claim, Lien, notice of non-compliance or violation, notice of liability, proceeding, consent order or consent agreement against any of the Acquired Companies or any Person made under or in accordance with any Environmental Laws or any Liability or obligation for injury or damages due to, or as a result of, the presence of, effects of, or exposure to any Hazardous Materials; or

7.2.4 Any other event, act, omission, condition, fact or circumstance occurring, existing or first arising prior to the Closing Date and relating to the Acquired Companies or the Sellers, whether or not such event, act, omission, condition, fact or circumstance is described in this Agreement or otherwise known to GCI or was known to any of the Sellers or the Acquired Companies, except such as (A) constitute or give rise to a breach of representations, warranties or covenants of GCI under this Agreement, and (B) constitute Liabilities specifically identified on the Closing Financial Statements.

7.3 **Survival; Time Limits for Indemnification.** The representations and warranties made in this Agreement, or in any certificate or other document delivered pursuant to this Agreement, will survive the Closing Date (even if the damaged party knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) for a period of three years from the Closing Date, except that (a) the representations and warranties contained in Sections 3.8 (Tax Matters), 3.9 (Employee Benefit Plans) and 3.14 (Environmental Matters) shall survive the Closing Date until the expiration of the applicable statutes of limitation and (b) the representations and warranties contained in Sections 3.1 (Organization and Good Standing), 3.2 (Capitalization; Other Equity), 3.3 (Authority), 3.4 (No Conflict), 3.15.4 (Ownership of Property) and 3.25 (Representations Not Misleading) will survive the Closing Date indefinitely. The covenants of the Parties contained in this Agreement will survive the Closing Date indefinitely. The Sellers, on the one hand, and GCI, on the other hand, shall promptly give written notice to the other of any facts or circumstances of which any such Person becomes aware or has knowledge that is reasonably likely to give rise to a claim for indemnification under this Article 7. No Party will have any obligation to indemnify any Person pursuant to this Agreement with respect to any breach of a representation or warranty unless a notice of such breach is given to the Party against whom indemnification is sought on or prior to the last day of the applicable survival period, except that if a Party has a reasonable basis to believe that an

indemnifiable claim will arise and gives notice to the other Party concerning such matter within the survival period, then all rights of such Party to seek indemnification with respect to such matter will survive the expiration of such period for a period of 180 days. If an indemnifiable claim has not arisen prior to the expiration of that 180-day period but the Party continues to have a reasonable basis to believe that an indemnifiable claim will arise and gives notice to such effect to the other Party prior to the end of such 180-day period, then all rights of the Party to seek indemnification with respect to such matter will survive for one additional period of 180 days. If an indemnifiable claim does not arise prior to the end of the second 180-day period, the rights of the Party to seek indemnification will terminate at the expiration thereof. If a Party is obligated to indemnify another Party against a particular breach, the indemnity obligation shall extend to all Losses, whether occurring before or after the survival period.

7.4 Basket and Cap.

7.4.1 The Seller Indemnifying Party will have no obligation to indemnify any GCI Indemnitee from and against any Losses under 7.2.1 until the GCI Indemnitees have suffered Losses in the aggregate amount of $500,000 or more arising from, or otherwise related to, directly or indirectly, any of the items set forth in Section 7.2.1. If and when the aggregate of such Losses exceeds $500,000, the GCI Indemnitees shall be entitled to indemnification against all Losses incurred under Section 7.2.1, including the initial $500,000 of Losses.

7.4.2 The aggregate indemnification obligations of the Sellers under Sections 7.2.1 and 7.2.4 shall not exceed 25% of the amount of the Cash Consideration. The limits on liability contained in this Section 7.4 shall not apply to the indemnification obligations of the Sellers under Sections 7.2.2 and 7.2.3.

7.4.3 Notwithstanding anything to the contrary in this Agreement, there shall be no limitation on any GCI Indemnitee's right to indemnification from and against any Losses arising directly or indirectly out of (a) any breach of any representation, warranty or covenant of the Sellers that involves an intentional misrepresentation or the commission of fraud by the Sellers or (b) any act or omission or other matter arising prior to Closing that involves a claim by a third party for material misrepresentation, fraud, gross negligence or intentional misconduct, and each GCI Indemnitee shall have all remedies available to it at law and in equity with respect to any such breach, act, omission or matter.

7.5 Defense of Claims. Subject to Section 9.1.5, the procedures to be followed with respect to the defense and settlement of any claim made by a third party which, if true, would give rise to a right on the part of a Party to be indemnified against resulting Losses (an "Indemnitee"), in whole or in part, under this Article 7 (a "Claim") shall be as follows:

7.5.1 Right of Indemnifying Party to Defend. Unless in the reasonable and good faith judgment of the Indemnitee (i) there is a material conflict between the positions of the Party against whom indemnification is sought under this Article 7 (an "Indemnifying Party") and the Indemnitee in conducting the defense of a Claim or (ii) legitimate business considerations would require the Indemnitee to defend or respond to a Claim in a manner that is materially different from the defense or response that would be most beneficial to